

**Grantee: Tucson, AZ**

**Grant: B-11-MN-04-0507**

**October 1, 2013 thru December 31, 2013 Performance Report**

---



**Grant Number:**

B-11-MN-04-0507

**Obligation Date:****Award Date:****Grantee Name:**

Tucson, AZ

**Contract End Date:****Review by HUD:**

Submitted - Await for Review

**LOCCS Authorized Amount:**

\$2,083,771.00

**Grant Status:**

Active

**QPR Contact:**

Joyce Alcantar

**Estimated PI/RL Funds:**

\$463,999.83

**Total Budget:**

\$2,547,770.83

## Disasters:

**Declaration Number**

NSP

## Narratives

**Summary of Distribution and Uses of NSP Funds:**

25% of the funds (\$520,942.75) will be used for acquisition and rehabilitation of housing to be rented to households at or below 50% area median income. \$1,354,451.65 will be used for acquisition and rehabilitation for resale through the Pima County Community Land Trust to households whose income is between 50% and 80% area median income. 10% or \$208,377.10, will be used to administer the NSP 3 program.

July 26, 2012: Substantial amendment approved May 2012, adding to the target area of greatest need. This area covers Campbell and Irvington, east to Country Club, south to Drexel, west to Campbell and north back to Irvington.

January 08, 2013: Substantial amendment approved by City of Tucson Mayor and Council (and forwarded and approved by HUD field office) to add the following census tracts, increasing the target area with the greatest need:

4019004104 AZ

4019002505 AZ

4019002506 AZ

**How Fund Use Addresses Market Conditions:**

The target area will benefit with NSP 3 funding as vacant and foreclosed homes become occupied. The City of Tucson will leverage other services and funding in the target area to bring about a transformational change to the area and its residents. Services and programs that this department is responsible for that can be targeted in this area include:

- >- code enforcement efforts (within the department is a Code Enforcement Division)
- >- HOME dollars (proposals could be sought for rental or homeownership projects)
- >- Human services program funding (both CDBG and City funding)
- >- Home rehabilitation funding (federal funding sources)
- >- Historic preservation efforts (the City's Historic Preservation Office is within this department)
- >- Down payment assistance (federal sources)

>The targeted effort by the City of Tucson will result in an increase in private sector investment, which will speed the transformation of the area. With the public attention that has resulted from the City's planning work in the Oracle Area Revitalization Plan area, several large private sector investments have been made.

**Ensuring Continued Affordability:**

Rental units will be rented through the City of Tucson El Portal program, with rents not to exceed low-home rents, published annually, as established by HUD. Resale units will be sold through the Pima County Community Land Trust. These sales shall have a 99-year leasehold agreement, automatically renewable for an additional 99 years, with a resale restriction that limits equity to 25%. All initial buyers and subsequent buyers must be between 50% and 80% area median income. All mortgages shall not exceed 35% of their gross annual income.

**Definition of Blighted Structure:**

Blighted structures shall be defined by reference to the City of Tucson's Neighborhood Preservation Ordinance (NPO) Section 16-14 titled "Dilapidated and Vacant Buildings and Structures; Building and Structures Constituting a Nuisance" and; Section 16-20 titled Slum Properties, and the definitions section from Arizona Revised Statutes Title 36 - Public Health and Safety Article 3 - Slum Clearance



and Redevelopment (1471). (2) and (18)&rdquoBlighted Area&rdquo and &ldquoSlum Area&rdquo. The City of Tucson will not set aside any NSP 3 funding for demolition.

#### Definition of Affordable Rents:

Affordable rents shall not exceed low HOME rents as defined by HUD by bedroom size.

#### Housing Rehabilitation/New Construction Standards:

The City of Tucson&rsquo NSP Rehabilitation Standards can be found at the following link:

<http://cms3.tucsonaz.gov/sites/default/files/hcd/NSP%20REHAB%20SPECS%201-09.pdf>

>In addition, the City will, at a minimum, meet the City&rsquo Bronze certification for green rehabilitation, which meets all HUD requirements.

See link here to City of Tucson Residential Green Building Rating System:

><http://cms3.tucsonaz.gov/files/dsd/CityofTucsonGreenBuildingProgram.pdf>

#### Vicinity Hiring:

>The City of Tucson will follow the Section 3 regulations and the City&rsquo Section 3 Plan and ensure that not less than 30% of new hires by contractors and sub-contractors will be Section 3 eligible persons. For hiring new employees, to the maximum extent feasible, affirmative marketing of any position openings will be directed to the NSP 3 Target Area, and a preference will be given to qualified residents.

#### Procedures for Preferences for Affordable Rental Dev.:

For contractor hiring, to maximum extent feasible, affirmative marketing will be directed to qualified contractors who reside within the NSP 3 Target area and preferences will be given to any qualified small businesses.

#### Grantee Contact Information:

Tom Ingram  
Housing Manager  
[tom.ingram@tucsonaz.gov](mailto:tom.ingram@tucsonaz.gov)  
310 N. Commerce Park Loop  
Tucson, AZ 85745  
520-837-5345

Joyce M. Alcantar  
Project Coordinator  
[joyce.alcantar@tucsonaz.gov](mailto:joyce.alcantar@tucsonaz.gov)  
310 N. Commerce Park Loop  
Tucson, AZ 85745  
520-837-5329

Overall	This Report Period	To Date
Total Projected Budget from All Sources	N/A	\$2,547,770.83
Total Budget	\$400,000.00	\$2,547,770.83
Total Obligated	\$400,000.00	\$2,547,770.83
Total Funds Drawdown	\$187,427.01	\$2,163,147.79
Program Funds Drawdown	\$148,633.49	\$2,060,069.72
Program Income Drawdown	\$38,793.52	\$103,078.07
Program Income Received	\$112,901.40	\$177,185.95
Total Funds Expended	\$15,101.70	\$1,942,104.51
Match Contributed	\$0.00	\$0.00

## Progress Toward Required Numeric Targets

Requirement	Required	To Date
Overall Benefit Percentage (Projected)		0.00%
Overall Benefit Percentage (Actual)		0.00%
Minimum Non-Federal Match	\$0.00	\$0.00
Limit on Public Services	\$312,565.65	\$0.00
Limit on Admin/Planning	\$208,377.10	\$180,599.97
Limit on State Admin	\$0.00	\$180,599.97

## Progress Toward Activity Type Targets

Activity Type	Target	Actual
Administration	\$208,377.10	\$214,777.08

## Progress Toward National Objective Targets

National Objective	Target	Actual
NSP Only - LH - 25% Set-Aside	\$520,942.75	\$650,942.75

## Overall Progress Narrative:

NSP 3 - The following is progress thru December 31, 2013:

25% Set-aside for individuals/families at or below 50% AMI has been exceeded with the purchase of 2 triplexes and >one single-family unit. Units have been rehabilitated and assigned to the City of Tucson's El Portal rental program. >All 7 units are now occupied. Beneficiary data is included in this report.

Resale progresses as the City of Tucson continues to purchase homes within the NSP3 boundaries, conveys >to the Pima County Community Land Trust (PCCLT) for the rehabilitation and sale to qualified buyers.

No additional homes were purchased this quarter, although one will be purchased next quarter to meet (and exceed) >the remaining NSP3 grant funds that must be expended by the March 9, 2014 deadline.

Homes reported on last quarter's report are still being rehabilitated by PCCLT staff. Six homes are in the >rehabilitation phase, which include the 5 that were "on hold" due to Pima County and PCCLT contract for bond funds that

>were being used for rehab of units in addition to NSP3 funds. Addresses are as follows:

1898 W. Acorn Way (SFR)

>6290 S. High Hope Lane (SFR)

>3014 E. Via Genovesa (SFR)

>1961 W. Burgundy (SFR)

>6303 S. Sun View Way (SFR)

>2102 E. Highland (SFR)

Additional addresses and status of Resale activity:

PCCLT sold 3 homes during this quarter. Beneficiary data is included in this report. Addresses are as follows:

1838 N. Silver Mountain Place (SFR)

>2720 E. Liverpool Drive (SFR)

>1516 W. Delaware (SFR)

City of Tucson staff conducted a monitoring visit at the PCCLT office on June 21st. Items of concern were noted and >a letter was sent to PCCLT for resolution. A second monitoring visit was conducted on November 5th, and items of >concern were addressed. A final monitoring letter was sent to PCCLT showing they were in "Satisfactory compliance."

Angela Reviere, HUD CPD Specialist, conducted an audit of the NSP1 program during the quarter ending September 30th.

>She offered consultation services to improve the NSP1 and NSP3 programs. The Cloudburst Group consultation staff

>arrived in July 2013, met with City of Tucson and Pima County Community Land Trust (PCCLT) staff. The final >teleconference meeting with Cloudburst staff was held on November 27th.

Cloudburst staff assisted with providing a draft NSP Policies and Procedures template for City of Tucson use.

Cloudburst staff also assisted with the revision of the Development Agreement between the City of Tucson and PCCLT.

>The new Development Agreement went into affect on November 1st, 2013.

Also, please note that the City's Planning and Community Development division's Principal Accountant has been in

>communication with OneCPD staff since October 28,2013 regarding "voucher #196649," an error which overstates the

>total funds drawdown by \$243,064.56 for Activity 9541. This error is in the process of being corrected by DRGR

>programmers.

## Project Summary

Project #, Project Title	This Report Period	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
0001, Administration	\$364.66	\$214,777.08	\$176,698.35
0002, Acquisition/Rehab for Rental	\$504.84	\$650,942.75	\$584,236.65
0003, Acquisition/Rehab for Resale	\$147,763.99	\$1,682,051.00	\$1,299,134.72
9999, Restricted Balance	\$0.00	\$0.00	\$0.00

## Activities

<b>Grantee Activity Number:</b>	<b>9123</b>
<b>Activity Title:</b>	<b>NSP3 Administration</b>

**Activity Category:**

Administration

**Activity Status:**

Under Way

**Project Number:**

0001

**Project Title:**

Administration

**Projected Start Date:**

03/09/2011

**Projected End Date:**

03/09/2014

**Benefit Type:**

N/A

**Completed Activity Actual End Date:**

**National Objective:**

N/A

**Responsible Organization:**

City of Tucson2

**Overall**

**Total Projected Budget from All Sources**

**Oct 1 thru Dec 31, 2013**

N/A

**To Date**

\$214,777.08

**Total Budget**

\$0.00

\$214,777.08

**Total Obligated**

\$0.00

\$214,777.08

**Total Funds Drawdown**

\$364.66

\$180,599.97

**Program Funds Drawdown**

\$364.66

\$176,698.35

**Program Income Drawdown**

\$0.00

\$3,901.62

**Program Income Received**

\$0.00

\$0.00

**Total Funds Expended**

\$0.00

\$180,599.97

City of Tucson2

\$0.00

\$180,599.97

**Match Contributed**

\$0.00

\$0.00

### Activity Description:

The City of Tucson anticipates spending 10% of the grant amount, \$208,377, on administrative costs associated with the acquisition and rehabilitation work.

### Location Description:

Administrative activities will occur at our main office for the City of Tucson's Housing and Community Development Department at 310 N. Commerce Park Loop in Tucson Arizona.

### Activity Progress Narrative:

There were no Admin expenditures for this quarter.

## Accomplishments Performance Measures

No Accomplishments Performance Measures found.

**Beneficiaries Performance Measures**

No Beneficiaries Performance Measures found.

**Activity Locations**

No Activity Locations found.

**Other Funding Sources Budgeted - Detail**

No Other Match Funding Sources Found

Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	

---

<b>Grantee Activity Number:</b>	<b>9540</b>
<b>Activity Title:</b>	<b>Acquisition Rehab for Rental</b>

**Activity Category:**

Disposition

**Project Number:**

0002

**Projected Start Date:**

03/09/2011

**Benefit Type:**

Direct Benefit (Households)

**National Objective:**

NSP Only - LH - 25% Set-Aside

**Activity Status:**

Under Way

**Project Title:**

Acquisition/Rehab for Rental

**Projected End Date:**

03/09/2014

**Completed Activity Actual End Date:**
**Responsible Organization:**

City of Tucson - El Portal Rental Program, managed by The

<b>Overall</b>	<b>Oct 1 thru Dec 31, 2013</b>	<b>To Date</b>
<b>Total Projected Budget from All Sources</b>	N/A	\$650,942.75
<b>Total Budget</b>	\$130,000.00	\$650,942.75
<b>Total Obligated</b>	\$130,000.00	\$650,942.75
<b>Total Funds Drawdown</b>	\$519.42	\$586,834.79
<b>Program Funds Drawdown</b>	\$504.84	\$584,236.65
<b>Program Income Drawdown</b>	\$14.58	\$2,598.14
<b>Program Income Received</b>	\$0.00	\$284.72
<b>Total Funds Expended</b>	\$305.00	\$587,125.21
City of Tucson - El Portal Rental Program, managed by The	\$305.00	\$587,125.21
<b>Match Contributed</b>	\$0.00	\$0.00

**Activity Description:**

The acquisition and rehabilitation will address local housing market conditions by focusing on abandoned and foreclosed properties that are depressing single family home values and the entire neighborhoods that they are in. The initial impact of rehabilitating the homes results in a cleaned-up curb appeal with landscaping and exterior improvements, which in our experience with NSP 1 and 2, results in neighboring property owners addressing visual issues with their own properties. approximately 4 homes will be transferred to the City's El Portal program for permanent rental

**Location Description:**

The target area that is proposed for the NSP 3 grant meets all three objectives &ndash it incorporates the Oracle Area Revitalization Plan boundaries, it has a NSP 3 score of 17.03, and it is not within the NSP 2 target area.

>

>The Planning Department for the City of Tucson has spent several years working in an area called the Oracle Area Revitalization Area, or OARP. OARP was originally selected for comprehensive planning work due to the following factors:

>

>It is an area that once was the shining gateway to Tucson and the downtown area that has since become run down, with older motels along the Oracle Road corridor, high crime, many underutilized properties and older, substandard commercial and residential structures, a substantial population of low income persons, and numerous human services agencies that serve the area population in need. Despite this reality, the area boasted many attributes that warranted the allocation of staff resources to push the revitalization effort. Among these attributes:

>

>&bull; The proximity to the downtown area (with the Interstate, it is still considered a gateway to Tucson and the downtown area);

>&bull; The proximity to the University of Arizona.

>&bull; The potential for revitalization. Several recent investments and developments have begun the march toward revitalization.

>&bull; The proximity to the Pima Community College Downtown Campus, which is within the OARP boundaries;



>&bull; The historic nature of the commercial properties, with many historic businesses (such as motor court hotels) that catered to the historical purpose of the Oracle Road corridor, which was the primary road into Tucson prior to the construction of Interstate 10.

Activity Progress Narrative:

Total Expenditures for rental this quarter \$305.00.

Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Properties	3	9/4

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	3	5/4
# of Singlefamily Units	3	5/4

Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Households	3	0	3	9/4	0/0	9/4	100.00
# Renter Households	3	0	3	9/4	0/0	9/4	100.00

Activity Locations

Address	City	County	State	Zip	Status / Accept
143 W. Rillito	Tucson		Arizona	85705-	Match / N
145 W. Rillito	Tucson		Arizona	85705-	Match / N
1650 E. Irvington	Tucson		Arizona	85714-	Match / N

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	

<b>Grantee Activity Number:</b>	<b>9541</b>
<b>Activity Title:</b>	<b>Acquisition Rehab Resale</b>

**Activity Category:**

Disposition

**Project Number:**

0003

**Projected Start Date:**

03/09/2011

**Benefit Type:**

Direct Benefit (Households)

**National Objective:**

NSP Only - LMMI

**Activity Status:**

Under Way

**Project Title:**

Acquisition/Rehab for Resale

**Projected End Date:**

03/09/2014

**Completed Activity Actual End Date:**
**Responsible Organization:**

Pima County Community Land Trust (PCCLT)5

**Overall**

	<b>Oct 1 thru Dec 31, 2013</b>	<b>To Date</b>
<b>Total Projected Budget from All Sources</b>	N/A	\$1,682,051.00
<b>Total Budget</b>	\$270,000.00	\$1,682,051.00
<b>Total Obligated</b>	\$270,000.00	\$1,682,051.00
<b>Total Funds Drawdown</b>	\$186,542.93	\$1,395,713.03
<b>Program Funds Drawdown</b>	\$147,763.99	\$1,299,134.72
<b>Program Income Drawdown</b>	\$38,778.94	\$96,578.31
<b>Program Income Received</b>	\$112,901.40	\$176,901.23
<b>Total Funds Expended</b>	\$14,796.70	\$1,174,379.33
Pima County Community Land Trust (PCCLT)5	\$14,796.70	\$1,174,379.33
<b>Match Contributed</b>	\$0.00	\$0.00

**Activity Description:**

The acquisition and rehabilitation will address local housing market conditions by focusing on abandoned and foreclosed properties that are depressing single family home values and the entire neighborhoods that they are in. The initial impact of rehabilitating the homes results in a cleaned-up curb appeal with landscaping and exterior improvements, which in our experience with NSP 1 and 2, results in neighboring property owners addressing visual issues with their own properties. By selling these homes through the Pima County Community Land Trust, the homes are occupied as soon as possible, eliminating the vacant property issue for neighborhoods. We will purchase the homes at not less than one-percent below appraised value and sell them at market value, which helps stabilize housing prices in these neighborhoods. The Pima County Community Land Trust homes will be leased for a period of 99 years, which is automatically renewable for a second 99 year period.

**Location Description:**

The target area for the NSP 3 grant meets all three objectives &ndash it incorporates the Oracle Area Revitalization Plan boundaries, it has a NSP 3 score of 17.03, and it is not within the NSP 2 target area.

&gt;

>The Planning Department for the City of Tucson has spent several years working in an area called the Oracle Area Revitalization Area, or OARP. OARP was originally selected for comprehensive planning work due to the following factors:

&gt;

>It is an area that once was the shining gateway to Tucson and the downtown area that has since become run down, with older motels along the Oracle Road corridor, high crime, many underutilized properties and older, substandard commercial and residential structures, a substantial population of low income persons, and numerous human services agencies that serve the area population in need. Despite this reality, the area boasted many attributes that warranted the allocation of staff resources to push the revitalization effort. Among these attributes:

&gt;

>&bull The proximity to the downtown area (with the Interstate, it is still considered a gateway to Tucson and the downtown area);

- >&bull The proximity to the University of Arizona.
- >&bull The potential for revitalization. Several recent investments and developments have begun the march toward revitalization.
- >&bull The proximity to the Pima Community College Downtown Campus, which is within the OARP boundaries;
- >&bull The historic nature of the commercial properties, with many historic businesses (such as motor court hotels) that catered to the historical purpose of the Oracle Road corridor, which was the primary road into Tucson prior to the construction of Interstate 10.

### Activity Progress Narrative:

Total Expenditures for this quarter \$14,796.70.

Currently working with HUD OneCPD Ask a Question - Question ID#16225 which is still open in reference to NSP3 voucher #196649. Voucher #196649 activity #9541 draw line of \$234,191.95 was revised to transfer the amount to correct activity of #9540 once completed the DRGR Line Item Status for #9540 stated completed but also did Line Item Status for activity #9541. 9541 Line Item Status should have stated "Revised". Now the Quarterly Performance Reports expenditures for activity #9541 is currently overstated by \$234,191.95 until corrected by the DRGR programmers.

### Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Properties	3	5/12

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	3	5/12
# of Singlefamily Units	3	5/12

### Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Households	3	0	3	5/0	0/0	5/12	100.00
# Owner Households	3	0	3	5/0	0/0	5/12	100.00

### Activity Locations

Address	City	County	State	Zip	Status / Accept
1516 W. Delaware	Tucson		Arizona	85745-	Match / N
1838 N. Silver Mountain Place	Tucson		Arizona	85745-	Match / N
2720 E. Liverpool Drive	Tucson		Arizona	85706-	Match / N

### Other Funding Sources Budgeted - Detail

#### No Other Match Funding Sources Found

Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	



